

Pay for Performance (P4P)
Frequently Asked Questions
(Updated December 2016)

Q: What is Pay for Performance (P4P)?

A: Pay for performance is a merit-based pay system that rewards above-average performance, improves efficiency, and encourages participation in programs that improve job performance and skill.

Q: Why is the state continuing Pay for Performance (P4P)?

A: Merit based pay enhances the State's efforts to recruit, retain, and reward a talented workforce.

Q: Which agencies are eligible to participate in pay for performance?

A: All agencies in the State Service as defined in Tennessee Code Annotated, Section 8-30-102 are eligible to participate. Other boards and commissions within the Executive Branch may be included if the agency participates in the 2015-2016 performance management cycle and upon approval of the Commissioners of the Departments of Human Resources and Finance and Administration.

Q: Will the P4P program be administered like last year?

A: Yes, most aspects of the program will mirror that of 2016. The P4P increases will be effective January 1, 2017; however, the performance salary increases will be awarded in a different manner. The P4P guidelines will establish a percentage increase for employees who receive a Valued, Advanced, or Outstanding rating. The percentage increase will be the same for employees who receive any of these three ratings; however, employees receiving an Advanced or Outstanding will also receive an additional one-time bonus.

Q: Who would not be eligible for performance increases?

A: The following employees shall not be eligible for a performance increase:

- Employees within the State Service who are excluded from the salary schedule, or have a salary schedule conducted and implemented pursuant to a statutory pay plan. This includes commissioned officers in the Departments of Safety & Homeland Security and Commerce & Insurance as well as wildlife-specific classifications in the Tennessee Wildlife Resources Agency;
- Employees who do not have a performance rating in the 2015-2016 review cycle; and
- Employees with less than twelve (12) consecutive months of service.

Q: Does the P4P system provide employees with raises?

A: Yes. The system establishes a certain increase to an employee's base salary based on his or her performance. Those employees receiving an Advanced or Outstanding will receive an additional one-time, non-recurring performance bonus.

Q: What rating must you achieve to receive a performance increase?

A: Any rating of 'Valued' or above will receive an increase.

Q: How long must you be an employee to be eligible to receive a performance increase?

A: To be eligible, a preferred or executive service employee must have completed twelve (12) consecutive full months of employment with the State of Tennessee.

Q: Are interim employees eligible for pay for performance?

A: No. Interim employees generally do not receive evaluations, so they are not evaluated under the current system. DOHR Rule 1120-01 provides a definition of interim appointments. There are some interim employees who receive evaluations, but, due to their status as interim employees, they are ineligible for the pay for performance increases.

Q: Are employees who are compensated at the top of the salary range eligible for pay for performance?

A: Pursuant to Tennessee Code Annotated, Section 8-30-207, an employee at or above the maximum of their salary range shall not be eligible for a performance based salary increase. These employees will receive a one-time, non-recurring performance bonus.

Q: When is the eligibility date for pay for performance?

A: Eligibility for pay for performance is determined as of September 30, 2016.

Q: How does the eligibility date relate to the required twelve (12) consecutive full months of service?

A: An employee must have been hired into state service on or before October 1, 2015 in order to be eligible.

Q: If an employee has been promoted or transferred during the current review cycle or does not receive a performance rating through no fault of his or her own, will that employee be eligible to receive a performance increase?

A: An employee with 12 consecutive months of service who does not have a performance rating in the current cycle may be eligible for a performance increase based upon the last valid performance document during the 2014-2015 cycle. If no last valid document is available and the employee meets all other eligibility requirements, the employee would be eligible to receive an increase based on the "Valued" percentage.

Q: Is my supervisor penalized for not completing my review?

A: Supervisors (i.e., Raters) who have not timely completed performance reviews by the end of the performance cycle will not be eligible for a performance increase. In addition, Reviewers who do not timely complete performance reviews as required will be ineligible for a pay for performance increase. However, if such delay is due to documented employee unavailability or other circumstances outside of the Rater or Reviewer's control, the Rater or Reviewer may be eligible for the performance increase.

Q: What are the percentages associated with the respective ratings?

A:

Rating	Base % Increase	Bonus % Amount
Valued	3	-----
Advanced	3	2
Outstanding	3	3

Q: Will the bonus be calculated on the salary amount before the 3% increase is added in, or after?
Is the bonus 3% of the annual salary? Or the monthly?

A: The bonus is calculated on the employee's gross salary from October 1, 2015 through September 30, 2016 minus their longevity payment and any Regular overtime paid in that time. The bonuses should be paid at the end of January and will be in one payment.

Q: I can see my salary in Edison but am not sure how to figure out my pay for performance increase amount. How are the percentage increases calculated?

A: It has always been a practice, when awarding increases, to round compensation to the whole dollar. For example, \$50.10 would be rounded to \$50.00 and the % increase applied, while \$50.50 would be rounded up. The percentage increase is then applied to this amount.